

REMARKS

This application has been reviewed in light of the Office Action dated October 17, 2007. Claims 1-7, 15-19, and 21 are presented for examination, of which Claims 1, 15, and 21 are in independent form. Claims 1-7 and 15-19 have been amended to define more clearly what Applicants regard as their invention. Claims 8-14 and 20 have been canceled without prejudice or disclaimer of the subject matter presented therein. Claim 21 has been added to provide Applicants with a more complete scope of protection. Favorable reconsideration is requested.

Claims 8, 12, and 14 were objected to for various informalities. Those claims have been canceled. Accordingly, it is believed that the objection has been obviated, and its withdrawal is therefore respectfully requested.

Claims 8-14 were rejected under 35 U.S.C. § 112, second paragraph, as being indefinite. Those claims have been canceled. Accordingly, it is believed that the rejection under Section 112, second paragraph, has been obviated, and its withdrawal is therefore respectfully requested.

The Office Action rejected Claims 1-20 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 7,103,575 (*Linehan*) in view of U.S. Patent Application 2003/0195037 (*Vuong et al.*), hereinafter “*Vuong*.” Applicants respectfully traverse this rejection and submit that independent Claims 1 and 15, and added Claim 21, together with the claims dependent therefrom, are patentably distinct from the cited art for at least the following reasons.

Amended independent Claim 1 recites, in part, “determining a first terminal analysis result, at the terminal system, based at least in part on one of an authentication of

the PIC transaction device using Offline Data Authentication (ODA), a transaction process restriction, and a merchant risk management factor, . . . determining a first PIC analysis result, at the PIC, . . . and if the merchant system receives a PIC issuer response authorization during online authorization, determining a second terminal analysis result, at the terminal system, based at least in part on a predetermined rule and at least one of the first terminal analysis result and the first PIC analysis result,” (emphasis added). As best understood by Applicants, *Linehan* and *Vuong* both fail to teach or reasonably suggest determining both the first and the second analysis result recitations of Claim 1.

Linehan, discloses “enabl[ing] consumers to make purchases . . . over the Internet using a smart card . . . attached to a consumer computing device . . . [by] integrating the smart card EMV protocol with [a] 4-party protocol . . . defined in [a] related invention,” (*Linehan* Col. 5, lines 44-48 and 58-60). *Linehan* describes the EMV standard in Col. 7, line 17 – Col. 9, line 13. The EMV standard is understood to perform, among other features, a “Terminal Action Analysis: [where] [t]he terminal makes a preliminary decision whether to decline the transaction, authorize online, or attempt off-line authorization,” (*Linehan* Col. 8, lines 22-24). However, the EMV standard, as disclosed by *Linehan*, and *Linehan* as a whole, is not understood to teach or reasonably suggest determining both a first and second analysis result, where the first analysis result is “based at least in part on one of an authentication of the PIC transaction device using . . . ODA[], a transaction process restriction, and a merchant risk management factor” and where the second analysis result is “based at least in part on a predetermined rule and at least one of the first merchant analysis result and the first PIC analysis result,” as recited by Claim 1.

Vuong fails to cure the deficiencies identified above with regard to *Linehan* for at least the reason that, as best understood by Applicants, *Vuong* fails to teach or reasonably suggest both a first and second analysis result, where the first analysis result is “based at least in part on one of an authentication of the PIC transaction device using . . . ODA[], a transaction process restriction, and a merchant risk management factor” and where the second analysis result is “based at least in part on a predetermined rule and at least one of the first merchant analysis result and the first PIC analysis result,” as recited by Claim 1.

Applicants submit that a combination of *Linehan* and *Vuong*, assuming such combination would even be permissible, would fail to teach or suggest the first and the second analysis result recitations of Claim 1, and therefore respectfully request withdrawal of the rejection under 35 U.S.C. § 103(a).

Independent Claims 15 and 21 include features similar to those discussed above with respect to Claim 1 and are believed to be patentable for at least the same reasons as discussed above with respect to Claim 1.

The other rejected claims in this application depend from one or another of the independent claims discussed above and, therefore, are submitted to be patentable for at least the same reasons. Because each dependent claim also is deemed to define an additional aspect of the invention, reconsideration of the patentability of each claim on its own merits is respectfully requested.

Applicants' undersigned attorney may be reached in our New York office by telephone at (212) 218-2100. All correspondence should continue to be directed to our below listed address.

Respectfully submitted,

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